



Rule Up For Discussion and Possible Filing

Proposed Amendment to
WAC 230-40-010

Social card games – Rules of play – Types of card games authorized.

ITEM 15 (a) on the March 9, 2007, Commission Meeting Agenda.

Statutory Authority 9.46.070

Who proposed the rule change?

Cynthia Paul and Roger Snow, Shuffle Master, Inc.

Proposed Change

Currently, no more than two separate games can be played with a single hand of cards (WAC 230-40-010 (1)(f)).

The petitioner requests that subsection (1)(f) be repealed. This would allow an unlimited number of games to be played with a single hand of cards.

The petitioner states in their letter that they would like to add a progressive jackpot component (considered a separate game) to Three Card Poker. Three Card Poker currently offers two games within a hand.

The petitioner states allowing an additional bet would provide more revenue for the state and would potentially increase play at card rooms.

Attachments:

Memo to the Commission outlining their options for handling the petition.

Letter notifying Roger Snow that the petition will be up for filing at the March 9, 2007, meeting.

Petition for Rule Change received January 22, 2007.

Proposed amendment to WAC 230-40-010.

Letter from Shuffle Master dated February 8, 2007, and 8 letters supporting the petition.

History of Rule

In May 2000, permanent house-banked card room rules were adopted limiting the number of games that could be played within a single hand of cards at two. At that time, the two game limit was chosen:

- 1) Because no card games being played offered more than two games within a single hand of cards;
- 2) To control the number of separate wagers in each hand.

Currently tribal casinos are not limited on the number of games that can be played within a single hand of cards. The new version of Three Card Poker with a progressive jackpot is not currently on the list of approved card games for use by tribal casinos.

Impact of the Proposed Change

The petitioner states allowing an additional bet would provide more revenue for the state. Staff is unclear how this change would generate more revenue for the state.

The change will increase the number of wagers and payouts for card games. This would increase the total amount a player could wager per hand, thus, circumventing wagering limits on card games.

Regulatory Concerns
<p>Allowing an unlimited number of games to be played within a single hand of cards will increase our regulatory concerns and increase the agency's workload because of more complicated wagering and payout structures.</p> <p>Increasing complexity of games and additional wagering options may make it more difficult to detect cheating and makes it harder for players to understand the betting and payout structures.</p> <p>It may increase staff time investigating cheating allegations, processing administrative actions, and reviewing and approving new games.</p> <p>Staff regulating tribal casinos also cited regulatory concerns that unlimited number of games within a single hand of cards could be used circumvent wagering limits.</p>
Resource Impacts
<p>Field agents will need additional training to learn new games which offer more than two games within a single hand of cards to ensure games are operated properly.</p> <p>Additional staff time will be needed to review and approve new games that offer more than two games within a single hand of cards.</p> <p>Additional staff time may be needed to review and approve new service supplier and manufacturer license applications.</p>
Policy Consideration
May be perceived as an expansion of gambling because the number of wagers and payouts would be increased.
Statements Supporting the Proposed Rule Change
None.
Statements Opposing the Proposed Rule Change
None.
Licensees Directly Impacted By the Change
Manufacturers and service suppliers of house-banked card games, and house-banked card room licensees.
Staff Recommendation
Deny the petition because it would allow an unlimited number of games to be played with a single hand of cards and it circumvents wagering limits on card games.
Proposed Effective Date for Rule Change
The petitioner requests that the change become effective 31 days from filing.